

## 1. RACHEL REEVES MP LETTER TO TIM MARTIN DATED 24<sup>th</sup> MARCH 2020



# Business, Energy and Industrial Strategy Committee

House of Commons, London SW1A 0AA

020 7219 5777 - beiscom@parliament.uk - www.parliament.uk/beis - @CommonsBEIS

Tim Martin  
JD Wetherspoon Plc

24 March 2020

Dear Tim,

I am writing to ask for detailed information about the measures that Wetherspoons is taking to support its employees during the current coronavirus crisis.

This is a national emergency, and governments, citizens and businesses are taking unprecedented measures to protect lives and livelihoods.

I was therefore disappointed to read that you have not indicated whether you intend to cover the wages of your staff until government support comes through. This is despite other companies in your industry guaranteeing that they will pay their staff for at least eight weeks. Furthermore, you also seem to have suggested that when the government do pay 80% of your staff's wages you might not pay the other 20%. Finally, I am deeply concerned that while you encourage your workforce to consider working for supermarkets you note that if they do you will give them "first preference" if they "want to come back". Please can you therefore confirm:

- How many of your staff will be furloughed?
- Will you pay your staff's wages up until the Government's money comes through?
- Will you pay the remaining 20% of your staff's wages when Government support begins and, if so, will this be for all your staff?
  - For instance, will you treat your staff differently according to their wages and duties and only top-up wages over a certain pay threshold?
- How you will pay and treat staff that you employ who are on zero hour contracts?
- What will be the status of your workers if they work for supermarkets or engage in other essential work?
- Will your staff have to reapply for their jobs when the present crisis is over?
- How are you ensuring the health and safety of those staff that are still working for Wetherspoons, for instance in administration, HR and payroll?

Given the seriousness of the situation, and the Committee's deep concerns about your approach in recent days, I would appreciate a reply by Friday 27

March. Yours sincerely,

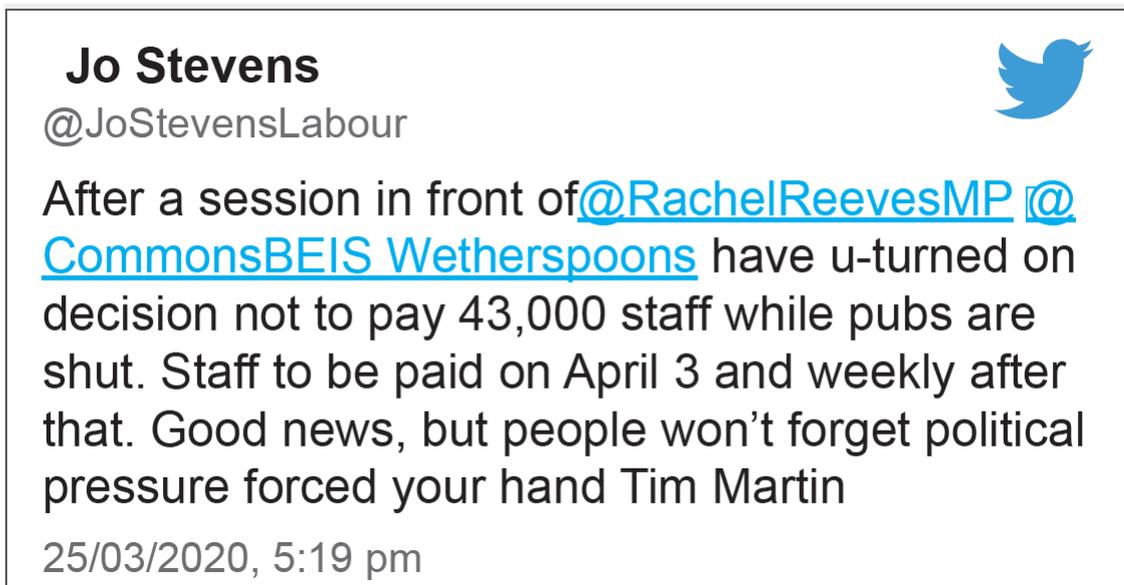
**Rachel Reeves MP**

**Chair of the Business, Energy and Industrial Strategy Committee**

2. TWITTER COMMENTS BY RACHEL REEVES AT 10:28AM ON 24<sup>th</sup> MARCH



3. TWITTER COMMENTS BY JO STEVENS MP AT 5:19PM ON 25<sup>th</sup> MARCH



#### 4. TIM MARTIN'S RESPONSE OF 26<sup>th</sup> MARCH TO RACHEL REEVES' LETTER AND TWITTER COMMENTS OF 24<sup>th</sup> MARCH

Rachel Reeves MP  
Chair of the Business, Energy and Industrial Strategy Committee  
House of Commons  
London  
SW1A 0AA

26<sup>th</sup> March 2020

Dear Rachel,

Thank you for your letter of 24 March

You made the serious allegation on Twitter that Wetherspoon had "(at) first refus(ed) to lock down (its pubs) altogether."

As you must be aware, that is completely untrue - we closed our pubs as soon as it was ordered by the government.

It was also disappointing to see your inaccurate and misleading Twitter comments that Wetherspoon "refused to pay its 40,000 employees until it receives its Govt loan."

In fact, less than 48 hours after pubs shut, I said that staff would be paid this Friday (27 March) and would then move to the government furlough scheme - even though the scheme was not yet in existence and the only information we had was the Chancellor's press release.

You will note that many companies, usually through no fault of their own, did not have the resources to commit to the furlough scheme, hence at least half a million have been laid off in recent days.

Whereas Wetherspoon has committed to the furlough scheme, I wasn't in a position last Sunday to promise to pay 40,000 staff before the government paid us, because the company did not have the financial resources to make this promise - some debt-free or large multi-nationals did, of course.

I've spoken to eight of our banks in recent days, and indeed they have been very understanding and helpful, but anyone with frontline business experience will tell you that taking the banks for granted and pledging money you don't have is a one-way ticket to the bankruptcy court.

If you would like to join our daily finance meetings, as our amazing and dedicated team negotiate the rapids of the crisis, you are most welcome - it might be an educational process regarding the practical realities, and harsh choices, of running a business with no money through the tills.

You also misunderstand the furlough scheme and refer to a "Govt loan". In fact, there is no loan involved in the furlough scheme, as your officials will confirm.

Events have moved on this week and the government, helped by the heroic efforts of Kate Nicholls of UK Hospitality, Jonathan Downey and others, is moving mountains to get the furlough scheme up and running in an incredibly tight timeframe.

Indeed, in order to assist, Wetherspoon has drawn up its own suggested rules as to how the scheme might operate, which will answer most of the questions in your letter.

It's understandable that some journalists and Twitter commentators could misinterpret the above information.

However, it's wrong for the chair of an important government committee to make these mistakes and to add hugely to the pressure on businesses firefighting on the front line.

It may be you have no experience of running a business at the sharp end, and you may therefore underestimate the practical realities we're dealing with.

Our aim, inter alia, is to preserve 43,000 jobs, to continue to pay £750 million of various taxes per annum (£15 million per week) and to try and ensure that the company can endure a potentially long closedown.

Everyone, including the government, is in a situation of unprecedented difficulty. Wetherspoon, no doubt like your committee, is making a conscientious effort to do the right thing at this time.

I would be happy to make these points directly to your committee at any time.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tim Martin', written in a cursive style.

Tim Martin  
CHAIRMAN - JD WETHERSPOON PLC  
(Dictated by Tim over the telephone & issued in his absence)

## 5. 2<sup>nd</sup> LETTER FROM RACHEL REEVES TO TIM MARTIN DATED 27<sup>th</sup> MARCH



Tim Martin  
JD Wetherspoon Plc

27 March 2020

Dear Tim,

Thank you for your reply today in response to my letter dated 24 March. I welcome that you say you will pay your staff on Friday 27 March and have arrangements in place to pay weekly and monthly paid employees going forward and for those on hourly rates. I also welcome that you say you will add to the maximum payments permitted through the Coronavirus Job Retention Scheme. Can you confirm that this means that you will now top up the full remaining 20%, so that all your staff will now receive 100% of their normal pay?

Since my first letter, it has been reported that Wetherspoons will not pay its suppliers until its establishments can reopen. Please can you confirm whether this is the case? If it is, can you advise me how much is owed both in terms of supplies already received by Wetherspoons and in terms of orders placed by Wetherspoons? It would be very disappointing if suppliers who had supplied Wetherspoons or who had paid others in their own supply chain to fulfill agreed orders were threatened by late payments in the present crisis, with its negative implications for jobs.

I would appreciate a reply by Wednesday 1 April.

Yours sincerely,



**Rachel Reeves MP**

**Chair of the Business, Energy and Industrial Strategy Committee**

#### 4. TIM MARTIN'S RESPONSE OF 30<sup>th</sup> MARCH TO RACHEL REEVES' 2<sup>nd</sup> LETTER DATED 27<sup>th</sup> MARCH.

Rachel Reeves MP  
Chair of the Business, Energy and Industrial Strategy Committee  
House of Commons  
London  
SW1A 0AA

30<sup>th</sup> March 2020

Dear Rachel,

Thank you for your reply of 28<sup>th</sup> March. I'm disappointed that you haven't responded to the main points I raised in my letter of 26<sup>th</sup> March. These are, for ease of reference:

- Your Twitter comments that Wetherspoon "at first refused to lock down its pubs altogether", are untrue and damaging. We closed our pubs on Friday 20 March, shortly after the Prime Minister's speech, as you should be aware.
- Your Twitter comments that Wetherspoon "refused to pay its 40,000 staff until it receives its Govt. loan" are a distortion and are untrue. By the time you published your comments on Twitter, Wetherspoon had already promised to pay staff on 27 March. Also the "Govt. loan" to which you refer has nothing at all to do with the furlough scheme.
- I should also like to emphasise the overriding point that companies cannot pledge money they don't have. Your colleagues with experience of private business, will be aware that any hospitality or retail companies with debt will breach "debt covenants" as soon as they close, or shortly thereafter, resulting in an urgent need for bank forbearance in order to continue to pay bills. Wetherspoon, for example, despite being a highly profitable company, has bank debt of around £800 million.
- It's worth reading the comments of Kate Nicholls of UK Hospitality, in this morning's edition of trade publication Propel (below).

Moving on to your latest letter, you say that you are happy that Wetherspoon "will pay staff on 27 March". As pointed out above, we had already told staff that they were being paid on 27 March and that we were committed to the furlough scheme. As chair of a parliamentary business committee it's important that your comments are not misleading at an extremely sensitive time.

You ask me to "confirm" that wages will be topped up to 100%. In a business in peril, which all hospitality businesses now are, it would be unwise to over-promise in this area, especially since many hospitality workers in other companies have already lost their jobs, with little or no compensation. Many companies, as widely reported, have already gone into administration, or have been unable to afford to retain staff. Above all, no one knows for how long businesses will be shut, another factor to be taken into account in our planning.

As regards suppliers, we're in close discussions with them. We've traded with most for 20 or 30 years, and with many for 40. They know we normally pay in a timely manner and they understand the current difficult situation.

I think it would be enormously helpful for businesses, their employees and suppliers, if you adopted a similar approach to that of the government, the Bank of England and civil servants, who are working tirelessly to get through an enormously difficult situation for everyone - rather than vilifying individual companies. We, like everyone else, are doing our best to deal with unprecedented circumstances, so that the company is functioning and jobs are retained, once the crisis has passed,

Yours sincerely,

Tim Martin

CHAIRMAN - JD WETHERSPOON PLC

(Dictated by Tim over the telephone & issued in his absence)

## 6. TIM MARTIN'S 3<sup>rd</sup> LETTER TO RACHEL REEVES DATED 2<sup>nd</sup> APRIL 2020

Rachel Reeves MP  
Chair of the Business, Energy and Industrial Strategy Committee  
House of Commons  
London SW1A 0AA

2<sup>nd</sup> April 2020

Dear Rachel, cc: members of the BEIS Committee

Further to our recent correspondence, you will be concerned to note that Jo Stevens MP told her Twitter followers on 25<sup>th</sup> March that:

"After a session in front of @RachelReevesMP @CommonsBEIS Wetherspoons have u-turned on decision not to pay 43,000 staff while pubs are shut. Staff to be paid on April 3 and weekly after that. Good news, but people won't forget political pressure forced your hand Tim Martin"

As you and your colleagues are aware, no such "session in front of" your committee ever took place - and Wetherspoon never said that it wouldn't pay its staff while its pubs were shut. Wetherspoon actually said the opposite to staff on Sunday 22<sup>nd</sup> March, two days after pubs were shut:

"all our endeavours are going to be on trying to make sure that you get your money and that the pubs reopen".

You will also be concerned that the highly misleading comments from Ms Stevens appear on the BFAWU website - and are therefore likely to have misled the public.

As an aside, I note that your letter to me of 24<sup>th</sup> March is publicly displayed on the UK Parliament website, but our replies are not. On the 30<sup>th</sup> March, we were told by your committee specialist, Ian Cruse, that you would "be publishing both replies shortly".

I am sure the committee does not wish to mislead the public, or MPs, so a public correction of Ms Stevens' comments and publication of Wetherspoon responses to your letters would surely be advisable.

Best wishes,



Tim Martin  
CHAIRMAN - JD WETHERSPOON PLC

(Dictated by Tim over the telephone & issued in his absence)